HON'BLE SRI JUSTICE L.NARASIMHA REDDY

WRIT PETITION No. 13659 of 2000

Dated 29.08.2007

Between:

Sri Dhanalakshmi Cotton and Rice Mills Limited and others.

…Petitioners

and

The Commissioner and Director of Marketing and others.

…Respondents

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O R D E R:

The petitioners are the oil mills. One of the materials used by them is cotton seed. They claim to have purchased cotton seeds from various places in the State of Tamilnadu and transported the same to their mills in the State of Andhra Pradeh. Their grievance is that the agricultural market committees in the District of Chittoor, respondents 2 and 3 herein, have levied the market fee,

contrary to Section 12 of the A.P. (Agricultural Produce and Livestock) Markets Act, 1996. They seek a direction to respondents 2 and 3 for refund of the market fee collected by them.

Heard the learned counsel for the petitioners and the learned Standing Counsel for respondents 2 and 3.

The question as to whether the agricultural market committees within the State of A.P. are entitled to levy and collect market fee for the agricultural produce purchased in other States was dealt with by a Division Bench of this Court in ***R.C & Oil Product Ltd. Vs. Director of Markt. A.P., Hyderabad***[1]. It was held that no market fee can be levied on the sale and purchase of agricultural produce in other States, though the produce, so purchased, may have been transported to the State of Andhra Pradesh. Therefore, the levy of market fee on the purchases of agricultural produce made by the petitioners in the State of Tamilnadu cannot be sustained in law. The first part of the relief claimed by the petitioners deserves to be granted.

As regards the claim for refund of the market fee collected from the petitioners, it is to be observed that

basically this claim ought to have been made before the competent authority. When identical request was made before the Division Bench, in the case referred to above, it was turned down, on the ground that the petitioners therein did not approach the statutory authority.

Hence, the writ petition is partly allowed, holding that the respondents cannot levy market fee on the purchases of agricultural produce made by the petitioners in other States and the prayer for refund of the market fee collected from the petitioners is rejected. There shall be no order as to costs.

29.08.2007

JSU

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[1] 1997(5) ALD 63 (DB)